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August 16, 2007

RECEIVED

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PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

RE: Case No. 2006-00341 – Joint Status Report re Settlement Discussions

Dear Ms. O'Donnell:

In accordance with the Commission's August 13, 2007 Order, this letter is to advise the Commission that the parties have reached an agreement in principle to resolve this formal complaint and expect to make an appropriate procedural filing in the near future. Counsel for Brandenburg Telephone Company has authorized the filing of this letter.

Very truly yours,

STOLL KEENON OGDEN PLLC


Douglas F. Brent

c: John E. Selent
Edward T. Depp